
ACQUISITION OF GOODS AND SERVICES

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Approved By: J. Stephen Fletcher, CIO
Authority: *UCA §63F-1-103, et seq.; UCA §63F-1-106, et seq.; UCA §63-53 Utah Procurement Code; Utah Administrative Code R33-3; State of Utah Accounting Policies and Procedures FIACCT 04, et seq.*

1.1 PURPOSE

This policy establishes standards for the acquisition of goods and services by Department of Technology Services (DTS) personnel.

1.1.1 Background

The Department of Technology Services is a service agency providing technology services to all executive branch agencies. DTS must assure that the acquisition of goods and services is secure, efficient, consistent, and meets the business needs of the State. It is also the intent of the Department to ensure compliance, without exception, to governing procurement laws and regulations.

1.1.2 Scope

This policy applies to all employees within the Department of Technology Services (DTS).

1.1.3 Exceptions

None.

1.2 DEFINITIONS

Procurement

Buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection, and solicitation of sources, preparation, and award of a contract, and all phases of contract administration.

Purchasing Card (P-Card)

A credit card managed by the State Division of Purchasing and General Services and the Department to supplement or eliminate a variety of processes including

petty cash, local check writing, low-value authorizations and small dollar purchase orders.

Small Purchase

An acquisition of a good and/or service that is expected to be \$5,000 or less. A small purchase may also be the acquisition of a sole source item that is expected to be \$1,000 or less.

Sole Source Purchase

An acquisition of a good or service identified and approved by the State Division of Purchasing and General Services as having only one vendor able to provide the item or a compatible item.

1.3 POLICY

The Department shall establish and enforce sound procurement practices and ensure accountability and integrity by managing the procurement of goods and services.

1.3.1 The DTS Director of Administrative Services shall exercise general supervision and control over the procurement of all goods and services for the Department.

1.3.2 All employees involved in the acquisition of goods and services for the Department shall avoid unethical or compromising practices in relationships, actions, and communications. Additionally, employees must not engage in activities that constitute a conflict of interest or would be detrimental to the interests of the State.

1.3.3 The DTS Director of Administrative Services may conduct audits to measure and ensure compliance. The DTS Director of Administrative Services may utilize external audit resources when such resources are available and the use of such resources is appropriate.

1.3.4 Department Purchases

1.3.4.1 With the permission of the Executive Director, the DTS Director of Administrative Services may delegate the authority to make small purchases.

1.3.4.2 Unless otherwise authorized in this policy all goods and services shall be purchased with a statewide contract or agency contract from a state approved supplier.

1.3.4.3 The estimated cost of a purchase shall be based on the total cost of the purchase, i.e., the total cost of all items to be acquired in a single purchase. Purchases shall not be artificially divided so as to constitute a small purchase.

1.3.4.4 For purchases up to \$1,000, goods and services may be purchased without seeking competitive quotes.

1.3.4.5 For purchases over \$1,000 and up to \$5,000, at least two (2) price quotes shall be obtained and goods and services shall be purchased from the vendor offering the lowest quote.

1.3.4.5.1 When deemed necessary by a business need of the State, an additional quote, for a total of three (3) price quotes, may be required.

1.3.4.5.2 A quote other than the lowest quote may be used when:

- the vendor is unable to deliver the good or service in a reasonable period of time;
- the specifications for the good or service does not meet the user's needs in terms of product quality or quantity minimums; or
- the vendor adds freight charges to the unit price causing the unit price to exceed the local market price.

1.3.4.6 Unless otherwise approved by the DTS Director of Administrative Services requests for all purchases over \$5,000, and sole source purchases exceeding \$1,000 shall be submitted to the DTS Division of Administrative Services.

1.3.4.7 For purchases of \$50,000 and greater a business case analysis shall be provided with the purchase request.

1.3.4.7.1 The business case analysis shall identify:

- the business needs of the requestor and the ability of the proposed purchase to meet those needs;
- the reason(s) why existing resources are insufficient and/or will meet the needs of the requestor; and
- if the purchase is for a CIO approved IT Plan project.

1.3.5 Contracts

1.3.5.1 The DTS Director of Administrative Services may establish a Contract Services Unit to administer the development and maintenance of procurement contractual agreements. The Contract Services Unit shall be responsible for:

- the administration and coordination of all contract services on the behalf of the Division,

- the development of contract documentation including but not limited to terms and conditions, attachments, exhibits, request for quotations (RFQ), invitations to bid (ITB), and request for proposals (RFP),
- the evaluation and documentation of contractor performance,
- the enforcement of contractual requirements and imposition of contract remedies when necessary,
- the development and coordination of documentation for the creation and modification of contractual agreements, and
- the development and maintenance of a centralized repository for all Department contractual agreements.

1.3.6 Purchasing Cards

1.3.6.1 The DTS Director of Administrative Services may authorize the issuance of Purchasing Cards (P-Card) to employees who purchase small dollar items for the Department.

1.3.6.1.1 The P-Card shall be issued in the name of the employee who will purchase small dollar items for the Department.

1.3.6.1.2 The employee will be held responsible for all purchases made on the P-Card issued in their name.

1.3.6.1.3 The employee shall sign the State's Purchasing Card Agreement Form and agree to comply with all applicable purchasing policies, rules, and statutes before using the P-Card.

1.3.6.1.4 The employee shall not use the P-Card to pay for a personal expense, a non-business expense, or any other expense prohibited by the Department and/or the Division of Purchasing and General Services.

1.3.6.2 A P-Card shall not be used to intentionally avoid internal controls or bypass a purchasing requirement, process, policy, rule, or statute.

1.3.6.3 The Department shall withdraw P-Card privileges and take appropriate action against any employee who intentionally misuses a P-Card. In addition to administrative action(s) the department may pursue criminal action against the employee when appropriate.

1.4 PROCEDURE

1.4.1 Department Purchases

- 1.4.1.1 Identify item(s) to be purchased and purchase pathway.
- 1.4.1.2 Gather required information, complete purchase requisition, obtain approvals and place order.
- 1.4.1.3 Upon receipt of good(s) or service(s) inspect and confirm item(s) are correct and acceptable. Provide notice to DTS Accounts Payable Unit that item(s) have been received and invoice may be paid.

1.5 APPENDICES

- State of Utah Purchasing Policy and Procedure Flow Chart.
- Division of Purchasing and General Services Guide to Doing Business with the State of Utah
- Division of Purchasing and General Services U.S. Bank Purchasing Card Program Policies and Procedures Manual.

DOCUMENT HISTORY

Originator:	Russell Smith, DTS Administrative Services Director
Next Review:	June 25, 2008
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Reviewed By:	N/A

UTAH STATE PURCHASING POLICY

Is the Purchase
Available From Other
State Agencies?

6 YES 6

The producing/distributing agency will be the source of supply if the item meets the requirements of the ordering agency.

State Producing/Distributing Agencies:

- Surplus Property
- Fleet Operations
- Utah Correctional Industries
- State Mail and Distribution Services
- Department of Technology Services
- State Print Services

9
NO

Is the Purchase
On A Statewide
Contract?

6 YES 6

Agency is required to use statewide contracts (regardless of dollar amount) when those contracts offer products that meet agency's requirements.

9
NO

Is the Purchase
\$1,000 or Less?

6 YES 6

Agency may select the best source without seeking competitive quotes.

9
NO

Is the Purchase
\$1,001 to \$5,000 ?

6 YES 6

Agency will obtain competitive quotes and purchase item from supplier offering the lowest quote.

9
NO

Is the Purchase
More than \$5,001 ?

6 YES 6

Submit a purchase requisition (FiNet RX) to the Division of Purchasing to be competitively bid.

Note: All **sole source** procurements greater than \$1,000 must be pre-approved by the Division of Purchasing using a Sole Source Request form and/or a purchase requisition form. This flow chart is for informational purposes only. Refer to Purchasing Policies and Procedures for more detailed information, or telephone the Division of Purchasing (801) 538-3026.

A VENDOR'S GUIDE TO DOING BUSINESS WITH THE STATE OF UTAH

GENERAL INSTRUCTIONS

WHAT IS PURCHASED

State government is one of Utah's largest consumers. The Division of purchasing is the State's centralized procurement arm. The Division has a service oriented function: where professional purchasing agents assist agencies in obtaining all supplies, equipment, services or construction needed. Annually, these purchases exceed \$1 billion. This includes a very wide variety of products and services. As stated in the State law, the purpose of a regulated, competitive procurement process is as follows: to ensure fair and equitable treatment of all persons who deal with the procurement activities; and to foster effective broad based competition within the free enterprise system.

The Division of Purchasing coordinates all procurements for all State agencies with the following exceptions:

State highway design and construction projects are procured by the Utah Department of Transportation (UDOT), 4502 South 2700 West, Salt Lake City, UT 84119. www.udot.utah.gov

Major building design and construction projects are procured by the Utah Division of Facilities Construction and Management (DFCM), 4110 State Office Building, Salt Lake City UT 84114. <http://dfcm.utah.gov>

SMALL PURCHASES

State agencies are authorized to make small purchases (less than \$5,000) without involvement of the Division of Purchasing. The agency obtains price quotations and directly makes the award. It should be noted, however, that agencies may not purchase goods or services that are on term statewide contracts from other than the term contract supplier(s). If you believe your firm may be able to supply particular goods or services within this small purchase category, you should contact appropriate agencies directly.

CONTRACT TYPES

There are several types of contracting methods used by the State in making purchases. The purchasing agent selects the appropriate type from among the following types most often used:

Purchase Order: Used when making one time or spot purchases. Purchase requirements are clearly described on the solicitation or purchase order. Completion of the contract is not anticipated to need more than three partial payments.

Agency Contract: This method is used when the product or service is specific for the needs of one agency, and is not in demand by other agencies. It is also used in lieu of a purchase order when more than three partial payments are anticipated to be made, or the scope of work cannot accurately be digested on the face of a purchase order.

State Cooperative Contract (PD): This is a term contract established for items purchased by multiple state agencies, institutions of higher education, school districts, and other political subdivisions of the State. The contract term is usually for one year with options to extend for additional years. Consolidating these purchases generally results in volume savings and reduced

administrative time and costs. In addition to the PD contracts there are multiple award contracts (MA), master contracts (MC) and authorization required contracts (AR).

State Cooperative Price Agreement (PA): These are similar to the PD contracts, but are usually negotiated agreements with sole source suppliers. Agencies have the option to use or not. These agreements provide firm pricing and should result in savings due to volume purchasing.

PROCUREMENT METHODS

The Division uses four basic types of competitive source selection methods:

Request for Quotation (RFQ): This method utilizes an informal solicitation for small purchases not exceeding an aggregate amount of \$50,000. Electronic, fax, written or telephone quotations may be used. The buyer may, at his/her option, award a contract immediately upon expiration of the target date and time or continue soliciting and receiving quotations for a reasonable time thereafter. Vendors are strongly encouraged to provide an immediate response to an RFQ since the period of time is short and awards are usually prompt.

Invitation to Bid (ITB): This is a formal competitive bidding process used for purchases exceeding \$50,000. The ITB contains specifications, contractual terms and conditions and the evaluation criteria for award. Bids are opened publicly at the time and place designated in the ITB. The contract is awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the ITB.

Request for Proposal (RFP): The competitive sealed proposal process is used when the procurement officer determines that the RFP process is more advantageous to the State than the ITB process. The RFP process is used when the needs of the state agency may not be completely clear, negotiations may be necessary, and cost is just one of several criteria necessary to make an award. Usually the RFP process is used to procure professional or human services or information technology equipment. An RFP will contain technical specifications of a Scope of Work for which the offeror must respond with a sealed technical proposal and prices. A formal proposal close date and time will be specified, following which any proposal received will not be considered. Evaluation criteria will be established and listed in the RFP and used by the Division to select the contractor. Frequently evaluation committees are impaneled to assist in the evaluation of proposals. At the proposal opening only the names of the offerors are disclosed. After award of the contract, the both successful and unsuccessful proposals become public information except for specific for a period of 90 days.

Statement of Interest and Qualification (SOIQ): This process is utilized primarily for the procurement of architect and engineering services where selection is made on the basis of qualification, and the fee is subsequently negotiated.

ELECTRONIC ISSUANCE OF SOLICITATIONS AND ELECTRONIC RECEIPT OF RESPONSES

The State of Utah has partnered with RFP Depot LLC to distribute and receive bids. RFP Depot is an online bidding service designed to streamline the bidding process for buyers and suppliers. In order to access the State of Utah's bids online, you will need to register as a vendor on the RFP Depot website, www.rfpdepot.com. The State of Utah is sponsoring all of their solicitations on the RFP Depot network, therefore, registration, Email/Fax notifications, and electronic bid response for the State of Utah's solicitations are FREE. Once you are registered, you will receive Email or Fax notifications, you will also be able to view all of the State of Utah's bids, quotes, proposals, etc. Finally, you will have the ability to submit your responses online. When you register with RFP Depot, you will receive automatic e-mail

notifications about any solicitations on their website that match your company's area of business, and you will receive automatic updates regarding solicitation addendums and questions.

SOLICITATION INSTRUCTIONS AND GENERAL PROVISIONS

Each solicitation will include a set of instructions and general provisions. Prospective suppliers should pay close attention to these instructions and general provisions.

SPECIFICATIONS

The specification and/or description of the item being purchased will be written to invite open competition. Merchandise offered must be new merchandise, unless the individual agency specifically requests used merchandise in the ITB/RFP. "Demonstrator", rented or reconditioned merchandise is not considered new. Workmanship on products offered must be first class in every respect - as good or better than that sold to the commercial trade.

ITB/RFPs will have one of the following requirements specifying the level of quality desired:

Standard Specifications - Specifications prepared and issued by standards or specification organizations which are generally known to the seller and to the industrial trade may be used to indicate the level of quality and other requirements for an item. Examples of such organizations are Federal Standards, Underwriters Laboratories (UL), American National Standards Institute (ANSI) and others.

Purchase Specifications - A description of the item, product or article may be given in an ITB/RFP to specify minimum requirements. These purchase specifications may be brief or complex and may be used in lieu of Utah or standard specifications or other criteria in establishing the minimum requirements for supplies, materials, services and equipment.

Brand Name or Equal Specifications - A descriptive and/or brand name "or equal" specification may be used. The item being purchased will be adequately described to solicit competitive bidding. If brand name "or equal" is used as a reference, it is intended for descriptive purposes only and is not intended as a restrictive specification. In such cases, the bidder must clearly state the brand, type, model, etc., that is being offered and must support such offer with adequate specifications and properly marked descriptive literature of the product being offered as "equal". If the bidder does not take exception to the specification referenced in the ITB/RFP or does not provide detailed descriptive information on the product offered, the Division will assume the bidder proposes to furnish the exact item referenced in the ITB/RFP. Proof that the item offered is "equal to or exceeds specification" is the responsibility of the bidder.

BID OPENING AND AWARD

Bid Opening - Formal Bids/RFPs will be opened by the Division at the time and place stated in public notices and/or ITB/RFP. Each vendor and/or his/her representative may attend the bid opening if so desired. RFQ's do not have a public quotation opening.

Tabulation - A tabulation for each solicitation is available for public inspection on the Division's web page. For most solicitations, this tabulation is available approximately 2 business days following the solicitation opening. Complex tabulations however require more time. For RFPs the tabulation will simply list the names of firms that submitted proposals.

Award - The Division will evaluate bids and make awards for supplies, materials, services and equipment on the basis of the "lowest responsive and responsible bid". The Division reserves the right to

make split awards and will do so if it is in the best interest of the state. Proposals are evaluated based upon the criteria including price indicated in the RFP. The award is made to the firm whose proposal is determined to be the most advantageous to the State. Awards on RFPs are made to the firm whose proposal is determined to be the most advantageous to the state, taking into consideration price and the other evaluation factors.

Late Bids/Proposals - Any bid/proposal submitted after the date and time designated in the ITB/RFP will not be accepted. This regulation does not allow for exceptions, thereby preserving the State's policy of equal treatment toward all vendors.

Protests - Concerns regarding a solicitation, specifications or an award should first be discussed with the appropriate purchasing agent in the Division. If the concern is not resolved by the purchasing agent vendors have the ability to formally protest to the state's Chief Procurement Officer at the Division of Purchasing, 3140 State Office Building, Salt Lake City, UT 84114-1061. Any protest regarding specifications must be filed in writing prior to the solicitation closing date and time. Protests relative to the contract award must be filed in writing within five working days after the aggrieved person knows or should have known of the facts giving rise thereto. Protests and appeals of Division actions are governed by the Utah Procurement Code <http://purchasing.utah.gov/legal/code.htm>.

PURCHASE ORDERS AND CONTRACTS

Issuance - Purchase orders or contracts are issued by the Division to the successful bidder(s).

Cancellation - Purchase orders or contracts may be canceled under the following conditions:

1. A purchase order or contract may be canceled by the vendor or requesting agency only with prior approval of the Division of Purchasing.
2. The Division may cancel a purchase order or contract because of unsatisfactory performance or no performance by the contractor.
3. A contractor may request a cancellation of a purchase order or contract or a portion thereof, because of circumstances beyond his/her control. In these instances, the Division will consider such requests when presented in writing with proper documentation.

DELIVERY AND INSPECTION

Delivery - Delivery must be made in compliance with the instructions in the ITB/RFP and subsequent purchase order.

Unauthorized Substitutions - Product substitutions shall not be made by any contractor or supplier without prior approval of the Division. No approval will be granted unless the substituted items are of equal quality and at or below the price quoted. In the case of approved substitutions, the receiving agency shall be notified by the Division.

Packaging or Damages (F.O.B. Destination) - Items shipped in fulfilling individual orders must be individually packaged. A packing slip must be included. In the event that damaged goods are delivered to the receiving agency, the agency will note the damages on the freight bill and notify the contractor immediately. It shall be the contractor's responsibility to make immediate replacement of the damaged merchandise. If only a portion of a shipment is found to be damaged and the agency will not be inconvenienced by the shortage, the contractor may deduct the amount of damage or loss from his/her invoice to the agency. In these cases, replacement of the damaged goods would not be required.

Default by Contractor - If a contractor fails to deliver by the promised date (without prior notice and reasons acceptable by the requesting agency), or if suppliers are rejected for failure to meet

specifications, the Division has the right to consider the contractor in default and to purchase such supplies, materials, services or equipment elsewhere.

COOPERATIVE PURCHASING

Utah statutes provide that statewide contracts administered by the Division may be extended to political subdivisions. Examples of political subdivisions are: state colleges and universities, school districts, municipalities, counties, etc. Whenever these entities elect to purchase under a statewide contract, they are not required to obtain additional bids and contact the contract vendor directly. When utilizing these contracts, the governmental entities are responsible for issuing the purchase order and processing payment. Utah also participates in multi-state cooperative purchasing with the Western States Contracting Alliance (WSCA), the National Association of State Procurement Officials (NASPO) and the Minnesota Multi-State Cooperative for Pharmacy (MMCAP).

PRINCIPLES AND STANDARDS OF CONDUCT

The Division subscribes to the Principles and Standards of Purchasing Practices advocated by the Institute for Supply Management. Through these principles, we subscribe to honesty and truth in buying and selling. Under Utah law it is a felony for suppliers to offer, or for anyone acting as a procurement officer accepting gifts or gratuities. Please see 63-56-1001 and 1002 Utah Code Annotated (<http://purchasing.utah.gov/legal/code.htm>)

The U.S. BANK *Purchasing* *Card* PROGRAM.



POLICIES & PROCEDURES MANUAL

Mark Parry
State Purchasing Card Program Administrator
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State of Utah
Purchasing Card

1.0 Overview

The purpose of the State of Utah Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and payment for small-dollar transactions. The program is designed to supplement a variety of processes including petty cash, local check writing, low-value authorizations, and small dollar purchase orders.

All cards are issued per your Department policies. Card usage may be audited and/or rescinded at any time. You are the only person entitled to use your card!

This booklet provides the guidelines under which you may utilize your Purchasing Card. Please read it carefully. Your signature on the enclosed Cardholder Agreement indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program. You will receive your State of Utah Purchasing Card upon receipt of the signed Agreement to Accept the Purchasing Card, and you may begin using it immediately upon receipt. As you use the card, please contact your manager or the State Purchasing Card Program Administrator if you have questions.

Record keeping will be essential to ensure the success of this program. This is not an extraordinary requirement — State Finance and Purchasing policies require retention of receipts, competitive price quotations, etc. And as with any charge card, you must retain receipts for your protection and the State's protection.

Finally, remember you are committing State funds each time you use the State of Utah Purchasing Card. This is a responsibility that cannot be taken lightly!

2.0 Policies and Procedures

2.1 To obtain a card

We recommend that you read the Policy and Procedures section in its entirety before requesting your State of Utah Purchasing Card. This section provides a variety of information about the process, the types of purchases that can and cannot be made, who will accept the card, records that must be maintained and reconciled monthly and miscellaneous information about the program.

After you read this and understand the procedures outlined, complete a US Bank/State of Utah Purchasing Card Application. Indicate your office address on the form to receive statements and correspondence related to the program. Please do not use any special characters in these fields. (i.e. @#\$%)

Your manager must indicate approval by signing the form. All requests will be processed through the State Purchasing Card Program Administrator.

During this process the prospective cardholder must attend a cardholder training session. These training sessions will be conducted by the Site Coordinator.

At the conclusion of your training session you will be given the form “Agreement to Accept the US Bank VISA Purchasing Card”. Please read this carefully. It explains the conditions under which you receive the Purchasing Card. If you are in agreement with what is stated sign your name and have your manager also sign. Then turn the form into the Purchasing Card Administrator. You then will receive your purchasing card.

When you receive your card, sign the back of the card and always keep it in a secure place! Although the card is issued in your name, **it is the property of the State and is only to be used for State purchases as defined in this document.**

2.2 General information

- The program helps to eliminate the use of small dollar purchase orders, petty cash, requests for checks, and the use of personal funds reimbursed by expense report.
- The program is NOT intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the program complements the existing processes available.
- The program is not intended to replace the current travel and entertainment program, and should not be used for travel reimbursement expenses.
- The card is not to be used for personal use.
- The program can be used for in-store purchases as well as mail, e-mail, internet, telephone and fax orders.
- You are responsible for the security of your card(s) and the transactions made with the card(s). The card is issued in your name and it will be assumed that any purchases made with the card will have been made by you. Failure to comply with the guidelines established for this program may result in severe consequences, **up to and including termination of employment.**

2.3 Examples of when the Purchasing Card may be used:

- The card may be used to purchase from State Contracts. In accordance with the state Procurement code please remember that any transaction that is not on contract and exceeds \$1000 must be accompanied by telephone quotations, also any transaction over \$5,000 and not on contract must go through the Division of Purchasing's formal bid process.
- Subscriptions, seminars, books, video tapes
- Office supplies, forms
- Computer supplies, software

2.4 Examples of when the Purchasing Card may not be used:

- Any merchant, product, or service normally considered to be inappropriate use of State funds
- Capital equipment
- Travel and entertainment, or travel reimbursement expenses

2.5 Services (1099 eligible)/Unincorporated Suppliers

Do not use the card to pay for any services. Refer to financial policies (FIACCT 05-19.00) for any further information.

For example:

- Personal services
- Doctor visits
- Hospital
- Consultants
- Attorney fees

2.6 Some built-in restrictions

Each card has been assigned an individual credit limit that is based on previous purchasing activity. If you find over time that the limit is too low to accommodate your monthly requirements, please contact your manager to re-evaluate your limit. If your manager agrees that it would be appropriate to raise your limit, the manager should contact the Program Administrator so that U.S. BANK personnel can perform appropriate maintenance. U.S. Bank will not change your credit limit without the approval of the Program Administrator.

Some supplier's Merchant Category Code (MCC's) codes have been "blocked" from usage in the program. If you present your card to any of these suppliers, the transaction will be declined. It is likely that any supplier you currently utilize as a source for products or services will accept your card. If you are declined and feel the decline should not have occurred, call the 800 number on your card (800-344-5696). U.S. Bank Customer Service will determine if you were declined because of merchant blocking or exceeding the monthly credit limit or single-purchase limit imposed on your card.

3.0 The Purchasing Card Log

(Example in Forms Appendix)

The Purchasing Card Log becomes an ongoing record of information about the transactions made on your card. The form is simple and easy to use, and will require a minimum amount of time to maintain.

If the purchase is between \$1000.00 and \$5,000.00 and not on contract you will need to keep documentation of the two price quotations you have received to comply with State Purchasing policy.

Individual receipts typically itemize merchandise purchased. The log allows management to review the types of goods and services purchased on the card and determine where the card is being used. It also provides a record of activity enabling you to reconcile your Monthly Reconciliation Statement. In addition, the receipts retained in conjunction with the log provide the documentation necessary should there be an audit.

Always obtain a receipt when using the Purchasing Card. This is not an extraordinary requirement — you currently do this for reimbursement purposes. In the log, record the date of the transaction, the name of the supplier, identifies the merchandise purchased, and the dollar value of the sale. A separate line item is required for each purchase. Indicate if the order was placed via phone, faxed, mail, e-mailed or in person.

This log is the record against which you will reconcile your Monthly Reconciliation Statement. The original log must be signed by your manager to indicate approval and review. Original documents will be retained and stored in accordance with agency policy consistent with other financial documents.

4.0 Specific cost accounting needs

Each card is hard coded with a predetermined FiNet coding block. The purpose of this program is to simplify processes for small dollar purchases.

In many cases, these purchases will now be categorized in a special U.S. Bank account code and will no longer be divided into a variety of departmental accounts. However, for those purchases that need to be directed to different cost accounts, whether for legal, tax, or contract accounting issues, *it may be appropriate for you to have multiple cards representing these specific accounts*. Otherwise, your agency accounting may be required to transfer costs from your account statement and/or Purchasing Card Log to the correct account code. Please consult with your manager to determine the best course of action for your accounting needs.

5.0 Reconciliation and payment

The U.S. Bank Purchasing Card Program carries corporate, not individual, liability. Invoices will be paid by your agencies Accounts Payable Department and you will not be required to pay your Monthly Statement using personal funds. **The program does not impact your personal credit rating in any way.**

6.0 It is required, however, that you retain all receipts for goods and services purchased!

If you purchase via phone, fax, mail, e-mail, or other electronic means, ask the supplier to include an itemized receipt with the goods when the product is shipped to you. This itemized receipt is the only original documentation specifying whether or not sales tax has been paid against the purchase. It will also be used for auditing purposes.

Each cardholder will receive a statement identifying all transactions made against the card during the previous billing cycle. The statement will be mailed to you at the address identified on your New Account Information Record. The statement must be reconciled against your Purchasing Card Log and the retained receipts for accuracy. Please forward your reconciled statement to your manager for review and approval. The statement will be forwarded to your agencies Accounts Payable Department for retention in case of a state audit.

Actual payment of a central invoice will be made by your agencies Accounts Payable; however your activity may be audited at any time.

7.0 If your records don't agree with your statement

(Example in Forms Appendix)

There may be occasions when items on your statement do not correlate with the entries in your log or your retained receipts. You may not have made the transaction, the amount of the transaction may be incorrect, or you may have a quality or service issue.

First contact the supplier involved to try to resolve the error. If the supplier agrees that an error has been made, he/she will credit your account. Highlight the transaction in question on your log as a reminder that the item is still pending resolution.

Second if the supplier does not agree that an error has been made, contact U.S. Bank Customer Service using the 800 number on the back of your Purchasing Card (800-344-5696). State that you would like to dispute a charge on your card. You will be asked to submit the information in writing so that U.S. Bank can research the disputed item. You may fax the completed Purchasing Cardholder Dispute Form to your representative at U.S. Bank. The amount of the next invoice will be reduced by the amount of the disputed item until the transaction in question is resolved.

8.0 Disputed Transactions

(Example in Forms Appendix)

Any transaction you wish to dispute **must be identified in writing to U.S. Bank with a copy sent to State Purchasing Card Program Administrator, within 60 days of the statement date.** Disputes will then be resolved by U.S. Bank within 90 days. If a dispute is not identified in writing to U.S. Bank within 60 days of the statement date the issue must then be resolved between the agency and the supplier.

You are responsible for the transactions identified on your statement. If an audit is conducted on your account, you must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, you are responsible for showing that the error or dispute resolution process was completed.

9.0 Lost or stolen cards

The U.S. Bank Purchasing Card is the State of Utah's property and should be secured just as you would secure your personal credit cards. If your card is lost or stolen, notify the Program Administrator, and contact U.S. Bank Customer Service (800-344-5696) immediately! Written confirmation of cancellation must then be accomplished by mail or fax to the State Purchasing Card Program Administrator.

Upon receipt of your call, further use of the card will be blocked. Prompt action in these circumstances can reduce the company's liability for fraudulent charges.

10.0 Sales and use tax

You should NOT pay sales tax. Your card will state tax exempt on it.

You may be charged tax when you suspect you should not. We realize there may be an insignificant number of cases where tax will be paid unnecessarily. In these situations present a tax exemption certificate verifying that the purchase is exempt.

Should you have additional questions regarding whether or not tax should be paid, please contact the State Purchasing Card Program Administrator for assistance.

11.0 Suppliers who do not accept the card

Although we do not endorse Visa or any of its associated banks specifically, we encourage suppliers to become involved in the State of Utah Purchasing Card Program so that cardholders can use the program most effectively.

Suppliers may contact their local bank or financial institution to become Visa capable, or they may contact the provider of the Purchasing Card Program, U.S. Bank, Minneapolis, Minnesota, for assistance. These institutions can implement the processing of charge card transactions by suppliers.

12.0 In summary

- Suppliers are paid within three days of your business transaction. **Please indicate to suppliers that you do not wish to be invoiced, as an invoice could result in duplicate payment. However you should always request an itemized receipt.**
- The program is designed to be simple and easy to use, providing you with the materials needed to perform your job more quickly and efficiently. However, appropriate controls must also be maintained to ensure the ongoing success of the program.
- We ask you to exercise good judgment and act responsibly when using your Purchasing Card. The Purchasing Card is issued in your name, and all activity will be assumed to have been incurred by you. We ask you to maintain your Purchasing Card Log accurately and always retain your receipts!
- In addition, random audits may be conducted for card activity, retention of receipts/sales slips, as well as for your Purchasing Card Log. **Consequences, ranging from suspension of cards to termination of employment, will be invoked for improper use of the program.**
- Your feedback regarding this program is important! You are testing a new concept and the procedures developed for our organization. We need to know if you have issues or concerns, and we welcome suggestions for improvement.
- We continue to improve the way we conduct business. Your use of this program in conducting your daily business can help us make significant change in eliminating a variety of manual transactions. If you have any questions about the program or need additional information, please contact the Program Administrator.

13.0 HELP!**State Purchasing Card Program Administrator****Phone: (801) 537-9243 Fax: (801)537-9240****5119 State Office Building, SLC, UT, 84114-1110****U.S. Bank Customer Service****1-800-344-5696****Toll-free: 24-hour, 7 days-per-week servicing.****Electronic Purchasing Services Home Page****<http://www.purchasing.state.ut.us/EPS/electronic.htm>**

Forms Appendix

- Example Monthly Statement
- Purchasing Card Transaction Log
- Dispute Resolution Form
- US Bank/State of Utah Purchasing Card Application
- Agreement to Accept the US Bank VISA Purchasing Card.

		ACCOUNT NUMBER		ACCOUNT SUMMARY		
SEND BILLING INQUIRIES TO:	U.S. BANK NATIONAL ASSOCIATION ND C/O U.S. BANCORP SERVICE CENTER, INC. P.O. BOX 6344 FARGO, ND 58125-6344		4246-0400-0123-4567		PREVIOUS BALANCE	0.00
					PURCHASES & OTHER CHARGES	0.00
			CASH ADVANCES			
			STATEMENT DATE 08/22/98		CREDITS	0.00
					PAYMENTS	0.00
CUSTOMER SERVICE PHONE		LOST/STOLEN CARDS CALL		LATE PAYMENT CHARGE		
1-800-344-5696		1-800-344-5696		CASH ADVANCE FEE		
				NEW BALANCE		

Purchasing Card Transaction Log

Month of _____

CARD HOLDER NAME:	MAIL STATION:
CARD NUMBER:	PHONE:
COST CENTER:	MANAGER'S NAME

#	Date	Merchant	Item Purchased	Subtotal	Freight	Total
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
			Log Total			
			Statement Total			

Enclose all receipts and monthly statement. Reconciliation must be completed by the 15th of each month to identify incorrect charges.

Cardholder's signature _____ Date _____

Manager's Signature _____ Date _____

PURCHASING CARDHOLDER DISPUTE FORM

CARDHOLDER INFORMATION

Name: _____ Address: _____

City/State/Zip: _____ Work Phone: _____

Home Phone: _____ Account No. _____

SIGNATURE: _____ Date: _____

DISPUTE

- ☐ Credit Not Posted (Attach Credit Slip)
- ☐ Duplicate Posting
- ☐ Erroneous Amount (Attach Sales Receipt)
- ☐ Other _____

MERCHANT NAME/DESCRIPTION	DOLLAR AMOUNT
_____	_____
_____	_____
_____	_____
_____	_____

DESCRIBE DISPUTE:

SEND DISPUTE TO:

U.S. Bank Visa Purchasing Card
Attn: Purchasing Card Disputes
P.O. Box 6344
Fargo, ND 58125-6344

Customer Service:
Toll Free: 1-800-344-5696
Fax: 701-461-3463

US BANK/STATE OF UTAH PURCHASING CARD APPLICATION

TYPE OF REQUEST

- ☐ New Account ☐ Plastic ☐ Non-Plastic
☐ Account Change

APPLICANT INFORMATION

(Please call (801) 537-9243 if any of the information below changes)

First Name _____ MI _____

Last Name _____ Suffix _____

State Employee ID Number _____
(Required)

Department Name _____

Division Name (Embossed on Card) _____

Current Employment Mailing Address _____

City _____ Zip _____

Work Phone _____ Home Phone _____ Alternate Phone _____

e-mail _____

ACCOUNT INFORMATION

Monthly Credit Limit _____ Single Transaction Limit _____

CHANGE OF ACCOUNT INFORMATION

Account Number _____

Current Name on Card _____

☐ Monthly Credit Limit Change To: \$ _____

☐ Single Transaction Limit Change To: \$ _____

☐ Account Closure Date: _____

☐ Name Change To: _____

☐ Accounting Code Information ☐ Clearing ☐ FINET ☐ Both

☐ Employment Address Change

Former Address: _____

☐ Phone Number Change ☐ Work ☐ Alternate ☐ Home

☐ Other, Explain: _____

SITE COORDINATOR INFORMATION

Site Coordinator Full Name _____

Department Name _____

Division Name _____

Employment Mailing Address _____

(List if different than applicant's address. All cards are sent to the site coordinator)

City _____ Zip _____

Work Phone _____

Alternate Phone _____

ACCOUNTING INFORMATION

CLEARING ACCOUNT CODING

EXPENSE ACCOUNT CODING

Fund _____

Fund _____

Dept _____

Dept _____

Unit _____

Unit _____

Approp _____

Approp _____

Object _____

Object _____

Activity _____

Activity _____

Function _____

Function _____

Program _____

Program _____

Phase _____

Phase _____

AUTHORIZATION

Applicant Signature _____

Date _____

Applicant Manager Signature _____

Date _____

Site Coordinator Signature _____

Date _____

ePurchasing Office Use Only

Date Application Received _____

Date Application Entered _____

New Account Number _____

Date Authorization Form Returned _____

Date Card Received _____

Date Card Distributed _____

Date of Change _____

State of Utah
Purchasing Card

03645
State Contract
Number

35587
State
Number

Agreement to Accept the U.S. Bank Visa® Purchasing Card

Your new U.S. Bank Visa® Purchasing Card represents the State's trust in you. You are empowered as a responsible agent to safeguard State assets. Your signature below is verification that you have read the employee policies and procedures and agree to comply with them as well as the following responsibilities. It also acknowledges that you have received the U.S. Bank Visa® Purchasing Card # _____

1. I understand the card is for State-approved purchases only, and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of State funds. This may result in disciplinary action, up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify U.S. Bank by telephone. I will confirm the telephone call with mail or facsimile and send a copy of the notification to the Program Administrator.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card, but not for payment.
6. All charges will be billed directly to and paid directly by the State of Utah. The bank cannot accept any monies from me directly; therefore any personal charges billed to the State could be considered misappropriation of State funds.
7. As the card is State property, I understand that I may be periodically required to comply with internal control procedures designed to protect State assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.
8. I will receive a Monthly Reconciliation Statement, which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card. I will resolve any discrepancies by either contacting the supplier or the bank.
9. The charges made against my card are automatically assigned to the cost center assigned to the card as specified by management. This code cannot be changed without management involvement. When changed, the new accounting code will not affect any charges made prior to the change, but will affect future charges.
10. I understand the U.S. Bank Purchasing Card is not necessarily provided to all employees. Assignment is based on my need to purchase goods for the State. My card may be revoked based on change of assignment or location. I understand that the card is not an entitlement nor reflective of title or position.

Employee Signature

Approving Manager Signature

Employee Printed Names

Approving Manager Printed Name

Date: _____

Date: _____